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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 23

NIKKEI (Page 2) (Full)
April 24, 2008

08:59

Attended at Kantei meeting of the Consumer Administration Promotion Council.

10:02

Met with Slovenian Prime Minister Janez Jansa. Afterwards, took ceremonial photo with Jansa and European Commission President Jose Manuel Barroso.

11:45

Hosted party for Jansa and Barroso.

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13:33

Held joint press conference with Jansa and Barroso.

14:32

Met with Chief Cabinet Secretary Machimura.

16:08

Met with Special Advisor Ito, followed by Deputy Chief Cabinet Secretary Futahashi.

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17:11

Attended meeting of the Central Disaster Prevention Council. Met later with State Minister for Declining Birthrate Kawakami. Attended a meeting of the Economic and Fiscal Policy Council.

19:10

Returned to his official residence.

4) SRM found in U.S. beef shipment destined for Yoshinoya Holdings

ASAHI (Top Play) (Excerpts)
April 24, 2008

The Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Health, Labor and Welfare (MHLW) on April 23 announced that spinal columns, one of materials designated as specified risk materials (SRM), whose imports are banned in Japan because agents causing BSE are believed to accumulate in those materials. It is the first time that SRM has been found in a beef shipment from the U.S. since Japan resumed U.S. beef imports in July 2006. The beef in question had not been put on the market.

Incident could affect future Japan-U.S. talks

(Commentary) SRM has again been found in a shipment of U.S. beef, which is supposedly determined to be safe. Prime Minister Fukuda will likely be questioned over his stance toward the U.S. in terms of food safety policy all the more because of his stand of characterizing food safety and security as a pillar of his policy.

Japan first decided to place a total ban on imports of U.S. beef in December 2003 as a measure to prevent BSE. In 2005, it resumed imports from designated meat packers, on conditions that (1) meat be obtained from cattle aged 20 months or younger; and (2) SRM, such as brains and spinal cords, where agents causing BSE tend to accumulate, be removed. However, a ban was placed again soon after the resumption of imports, following the discovery of backbones, an at-risk material. In 2006, the governments of Japan and the U.S. agreed to resume imports, after confirming that designated meat processors fully understand what parts of cattle are eligible for exports to Japan.

Before long, the U.S. has started calling on Japan to ease its import condition that limits beef eligible for exports to cattle aged 20 months or younger. The U.S. is seeking Japan to completely eliminate cattle age criterion. In response, the government has offered a proposal for easing the age restriction to under 30 months. It had intended to ease the condition, after consulting with the Food Safety Commission, once Japan and the U.S. reach a consensus.

At the moment, it appears that the government has no intention of

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placing an immediate ban on U.S. beef imports. However, whether U.S. meat processors are able to observe shipment rules on Japan-bound products will be put to the test again. Chances are that bilateral talks to discuss easing Japan's import condition might be affected.

5) USDA spokesman: "This kind of mistake happens sometimes"

TOKYO SHIMBUN (Page 1) (Full)
April 24, 2008

(Kyodo, Washington)

A specified risk material has been found in beef imported into Japan from the United States by trading house Itochu Corp in violation of a bilateral trade accord. On this problem, the U.S. Department of Agriculture (USDA) issued a statement on the 23rd noting: "The beef in question was not intended for Japan," indicating that the beef was shipped to Japan by mistake.

USDA spokesperson Keith Williams told a Kyodo News Agency reporter:

A specified risk material has been found only in a box among some 700 boxes of beef. This kind of mistake happens sometimes."

The Agriculture Department disclosed that it has banned the plant in California that shipped the beef in question from exporting beef to Japan until the cause of the problem is clarified.

6) U.S. Agriculture Department: Beef shipment containing risk material was not intended for Japan

MAINICHI (Page 1) (Full)
April 24, 2008

A high-risk material has been found in a beef shipment from the U.S. A spokesman for the U.S. Department of Agriculture told a Mainichi Shimbun reporter that the beef in question was not intended for Japan and was mistakenly shipped to Japan. The spokesman also said that the Agriculture Department has notified the plant that imported the beef of a decision to prohibit its import to Japan until the cause of the problem is uncovered.

7) Daiei suspends sales of U.S. beef from plant in question

TOKYO SHIMBUN (Page 1) (Full)
April 24, 2008

Major supermarket chain Daiei Inc. announced yesterday that it would suspend sales of beef imported from U.S. meat processor National Beef's processing factory in California, which imported beef with a specified risk material, starting today.

Daiei will continue to suspend until it is confirmed that there is no safety hazard. Regarding the already sold beef, its spokesman said: "Its safety has been confirmed, based on our own safety criteria."

Food supermarket chain Maruetsu has also decided to suspend sales of U.S. beef from the factory in question starting today until its safety is ensured.

Another major supermarket chain Ito Yokado will not suspend sales of

U.S. beef from the plant in question, with an executive remarking: "We have not imported beef from that plant." Meanwhile, Aeon has not sold U.S. beef.

8) Yoshinoya to continue serving beef bowls

MAINICHI (Page 1) (Full)
April 24, 2008

Based on the judgment that there are no problems with its safety control system, Yoshinoya Holdings Co., the operator of restaurants serving beef bowls, will continue serving beef bowls on a 24-hour basis. But major supermarket chain Daiei Inc. has decided to suspend starting today the sale of beef imported from the U.S. meat processor in question, National Beef.

9) Health Ministry to tighten inspection system

MAINICHI (Page 1) (Full)
April 24, 2008

In response to the discovery of a high-risk material in beef shipped from the United States, the Ministry of Health, Labor, and Welfare will tighten its inspection system by increasing the number of sampling inspections in quarantine and by taking other measures. This case, though, is considered to have been caused by a simple mistake, so the Ministry of Agriculture, Forestry, and Fisheries has decided to ban only beef imports from the plant in question, with a senior ministry official remarking: "This was not caused by a serious systemic problem."

10) Another case of consumer concerns about U.S. beef? "Negative impact would be limited," experts say

ASAHI (Page 39) (Full)
April 24, 2008

Specified risk materials (SRM), which should have been removed, have been found in U.S. beef shipments to Yoshinoya Holdings, the largest beef-bowl restaurant chain in Japan. It has been two years since imports of U.S. beef, which had been suspended due to the discovery of a BSE-infected cow in the U.S., were resumed. Consumers remain concerned about food safety, but some experts take the view that the effect of the incident would be limited because of a change in the distribution map.

Yoshinoya in Yurakucho close to JR Yurakucho Station in Tokyo was crowded with customers, mainly company workers around 9:00 p.m. The Ministry of Agriculture, Forestry and Fisheries (MAFF) released an announcement about the incident at 7:00 p.m. One clerk was perplexed at the press release, noting, "That's news to me."

Customers mainly order beef-bowl meals at Yoshinoya. One male civil servant (53) said: "It was a good job that the material in question was found before being served to customers. I hope the farm ministry will properly have talks with the U.S. on the matter." A male company employee (61) said, "I have been refraining from eating beef-bowls since the BSE scare. However, I ate one today, as I was so starved that I could not resist."

Matsuya Foods, another beef-bowl chain restaurant, said that as a beef-bowl restaurant, they are concerned about a possible spillover

effect of a harmful rumor. Zensho, which runs the Sukiya restaurant chain, has long been refraining from using U.S. beef, said that a similar incident could have occurred to them, if they had used U.S. beef.

U.S. beef is familiar to Japanese, as it is used widely for beef-bowls. However, the share has significantly dropped in recent years.

Imports in fiscal 2002 stood at approximately 240,000 tons. However, the share has plummeted since the embargo in late 2003. Australian beef has instead increased a share from about 260,000 tons in fiscal 2002 to about 410,000 tons in fiscal 2006.

Seiyu started selling U.S. beef in March last year. Ito-Yodado and Daiei have also begun selling U.S. beef. However, Australian beef still has the lead. Imports of U.S. beef in January this year stood at approximately 2,500 tons, while those of Australian beef at approximately 21,300 tons.

According to MAFF, National Beef, a U.S. meat processor that shipped the meat in question, has a 36 PERCENT share in U.S. beef exported to Japan. An official of the MAFF Animal Health Division said: "It is not that the meat found this time is infected. The blunder has been detected before the products were put on the market, even though a blanket box inspection has been abolished."

Junichi Koiwa, representative of the Safety Standards for Food and Livelihood, a consumer organization, noted, "SRMs are not unsafe unless they are from infected cattle. Consumers do not need to feel anxious. However, the government should make efforts to reject the U.S. request to ease its import condition." On the other hand, Sawako Hiyori, former chief of the secretariat of the Consumers Japan, requested: "Why on earth were spinal parts found in a shipment? This is a serious problem that could betray consumers' confidence completely. I want the government to shed light on the cause of the incident."

11) U.S. forces in flight plan for air show at Iwakuni to include B-52 nuclear-capable strategic bomber; Lawmaker Kasai presses for halt to the plan

AKAHATA (Page 1) (Abridged)
April 24, 2008

In the air show that will take place on May 5th at the U.S. forces' Iwakuni Air Station (Yamaguchi Prefecture), a B-52 strategic bomber will participate. This issue was taken up yesterday by Japanese Communist Party lawmaker Toru Kasai in the Lower House Foreign Affairs Committee. He criticized: "A strategic bomber capable of nuclear strikes will come near Hiroshima, an atomic-bombed area. For those who were atomic bombed, this will be unbearable."

The B-52 during the Vietnam War scattered defoliation chemicals and napalm. During the Iraq and Afghan wars, the aircraft repeatedly killed local residents. It still participates in front-line combat. Last August, it was revealed that the aircraft had flown over 2,000 kilometers of U.S. airspace loaded with nuclear warheads. The incident became a major issue.

Kasai asked if it had been confirmed that the aircraft (for the air show) was nuclear armed. Foreign Minister Koumura said, "Since there

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was no prior consultation, it is not carrying such weaponry." He admitted that there had been no confirmation of such.

B-52s were stationed in Okinawa when it was under U.S. military occupation. In 1965, a crash-landing incident occurred. Although the squadron withdrew in 1970, the aircraft from time to time has flown into that prefecture. In 1972, owing to the public's sentiment, then Foreign Minister Masayoshi Ohira requested the U.S. ambassador to Japan to limit the cases of landing only to unavoidable circumstances, such as to avoid typhoons. The U.S. promised to strictly limit the fly-ins.

Kasai asked that the participation of the aircraft this time be halted, speaking from the (previous) stance of the government. Foreign Minister Koumura said, "I would like to ask the local community what it thinks." But he did not clearly state that he would seek a halt to the aircraft's participation.

12) Duds found in Okinawa, possibly chemical bombs used by U.S. forces during WWII

A Ground Self-Defense Force squad discovered 22 unexploded shells, which could be chemical bombs, when its crew was recovering U.S. military mortar shells in Urasoe, Okinawa, in the middle of this month, the Defense Ministry announced yesterday. The discovered duds are believed to be those used in the Battle of Okinawa during World War II. The GSDF has yet to remove the duds from where they were found. Meanwhile, the Defense Ministry has inquired of U.S. forces and others concerned to identify them.

If the duds in question are found to be chemical weapons, U.S. forces might have brought in those bombs at the time of the Battle of Okinawa. No abandoned U.S. chemical weapons have ever been discovered in Japan, according to the Defense Ministry.

The duds were found at a private land in the city of Urasoe, according to the Defense Ministry. Okinawa prefectural police asked the GSDF on Apr. 7 to dispose of unexploded bombs. The GSDF bomb squad began to recover those unexploded bombs on Apr. 11, when its crew found 76 U.S. military mortar shells. The GSDF has now recovered 54 shells but halted recovering the remaining 22 duds because they were found to have contained something that looked like a liquid.

The 22 duds are M-57 mortar shells. The M-57 has two types. One is a liquid smoke projectile as a conventional bomb, and the other type is a chemical bomb containing highly fatal agents. The GSDF will shortly carry and store the 22 duds in highly airtight containers to avoid risk. The duds are corroded but are not in danger of leaking out the inner liquids, according to the Defense Ministry. The city of Urasoe, neighboring the city of Naha, is situated in a highly populated area in the middle of Okinawa's main island.

There is no hard evidence to show that U.S. forces brought in or used chemical weapons in the Battle of Okinawa. Before the 1972 reversion of Okinawa to Japan, the U.S. military used to store chemical weapons at its Kadena ammunition depot and other bases in the middle and northern parts of Okinawa's main island to use them in the Vietnam War.

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The Geneva Protocol of 1925 banned using chemical and biological (germ) weapons during wartime but did not prohibit developing or possessing such biochemical weaponry.

13) SDF legislation to be forgone

YOMIURI (Page 2) (Full)
April 24, 2008

The government and the ruling coalition decided yesterday to forgo permanent legislation allowing Japan to send the Self-Defense Forces for overseas mission as needed. The government had initially planned to present a bill to the Diet during its current session. In the wake of the collision of a Maritime Self-Defense Force Aegis destroyer with a fishing boat, New Komeito, the ruling Liberal Democratic Party's coalition partner, is cautious about the legislation. The LDP also inclined to save its judgment.

In this connection, former LDP Vice President Taku Yamasaki delivered a speech in Tokyo yesterday, in which he suggested the need to outline the legislation before the current Diet session ends. "We will have to create a bill during this summer and legislate it in this fall's extraordinary session of the Diet," Yamasaki said.

14) Nonpartisan security group meets for first time in three years;
Permanent legislation to be discussed

MAINICHI (Page 5) (Excerpts)
April 24, 2008

The Young Parliamentarians' League to Establish a Security System

for a New Century, a nonpartisan group, held yesterday a general meeting in the Diet building for the first time in about three years. The meeting selected Liberal Democratic Party member and former Defense Agency Director-General Gen Nakatani, former Liberal Democratic Party of Japan President Seiji Maehara, and New Komeito Public Relations Committee Chairman Isamu Ueda as the group's new representatives. In his inaugural speech, Nakatani said: "I want to build a foundation that can carry things out under any administration." Maehara noted: "Whichever takes power, the foundation for foreign and security policies must be one."

The meeting brought together some 30 of the group's 110 members. With the Antiterrorism Special Measures Law, the legal basis for the Maritime Self-Defense Force's mission in the Indian Ocean, scheduled to expire next January, the members agreed to deepen discussions on the questions of establishing a permanent law specifying conditions for the overseas dispatch of the SDF and of exercising the right to collective self-defense.

The question of a permanent law was one of the main topics discussed last fall between Prime Minister Yasuo Fukuda and DPJ President Ichiro Ozawa in their failed talks on a grand coalition. The LDP seems to want to use the subject as the lead to talks between the ruling and opposition blocs. A senior DPJ member criticized the move of Maehara and others, saying, "The subject must be discussed in the party."

15) Senior MOFA official criticizes six-party talks as "being soft on DPRK"

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YOMIURI (Page 4) (Full)
April 24, 2008

A senior official of the Ministry of Foreign Affairs (MOFA) yesterday met the press, and referring to the question of ambiguity of North Korea's promise to come out with a complete and accurate declaration of its nuclear programs because it is unclear whether the declaration will include nuclear weapons, noted: "I don't think nuclear weapons will be declared, given their confidentiality."

The official continued, "It is Japan that will be most exposed to the threat of nuclear weapons. Because of a soft attitude in negotiations (amai koushou) with (North Korea), (the six-party talks) have been stalled. The stalemate in the talks is in a way a penalty for that stance."

This official's remarks are taken as expressing discontent with the way the six-party talks have been progressing. At the six-party session in last October, a joint document showing that the declaration would come out by the end of the year was released, but the document did not make clear whether nuclear weapons would be included in the declaration.

16) South Korean ambassador to Japan urges Japan "to take part in oil aid to DPRK, noting, "Aid should be separated from abduction issue"

ASAHI (Page 4) (Full)
April 24, 2008

Tetsuya Hakoda, Seoul

New South Korean Ambassador to Japan Kwon Chol Hyun (61) yesterday met with the Japanese reporters in Seoul and declared his country's support for the Japanese government's position on the abductions of Japanese nationals by North Korea. However, the ambassador called on Japan to handle the North Korean nuclear issue separately from the abduction issue. Kwon noted that Japan should take part in heavy oil aid that other members of the six-party talks are providing to North Korea.

Kwon said, "The abduction and North Korean nuclear issues must be both resolved," but he went on to say, "Should (Japan) link the nuclear and abduction issues and insist that it calls for resolving

both together, Japan could be caught in its own trap."

At a Japan-South Korea summit talks on April 21, Ambassador Lee Myung Bak highlighted the importance of rebuilding bilateral ties into a future-oriented relationship. Kwon, however, speaking of the president's remarks, noted: "In his remarks, the president said, 'We will look at the future and do not demand apologies,' but this does not mean we will forget everything. Wartime comfort women are still alive and wailing. The implication of his remarks is, 'Let's keep the past under our hat and look at the future.'"

Kwon arrived at his post on April 17 and after welcoming President Lee and his party in Japan, he returned home temporarily.

17) LDP's Yamasaki: Aims to realize visit to North Korea by Prime Minister Fukuda

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SANKEI (Page 5) (Full)
April 24, 2008

Taku Yamasaki, a former vice president of the Liberal Democratic Party (LDP), who heads a LDP faction, said yesterday in his faction's fund-raising party in Tokyo:

"I will begin nonpartisan diplomacy at a time when the second stage measures (including North Korea's report on its nuclear programs) are completed. I expect that Prime Minister Fukuda will visit Pyongyang in the fall and diplomatic ties between Japan and North Korea will be concluded."

Yamasaki stressed his view of aiming at realizing a visit to Pyongyang by Fukuda. He then said: "To that end, I want to smooth the way along with nonpartisan Diet members."

18) IIPS emphasizes importance of keeping a balance in Japan-China relations, seeks to build consensus between the two countries

YOMIURI (Page 4) (Excerpts)
April 24, 2008

The Institute for International Policy Studies on web (IIPS), a non-profit, independent research institute based in Tokyo (<http://www.iips.org/index.html>), yesterday released a set of policy proposals concerning Japan-China relations, in which the IIPS seeks to shift the current relationship between the two countries to a mature, friendly one. Behind this proposal is the IIPS's judgment that in order to maintain peace and growth in the Asian region, a stable relationship between Japan and China is essential.

Since the Fukuda administration came into being, Japan-China relations in principle have been in good shape. President Hu Jintao is to visit Japan on May 6 as the top leader of China for the first time in 10 years. But the two countries are still facing old and new issues to be resolved, such as the historical issue, joint development of gas fields in the East China Sea, the poisonous Chinese-made dumplings, and the Tibet issue. How to keep a balance between friendship and contentions has now become important for the two countries.

Chinese Foreign Minister Yang Jiechi visited Japan in early April, and when he met with Foreign Minister Koumura, Koumura told Yang to have a dialogue with the 14th Dalai Lama to deal with the Tibet issue. But Yang expressed displeasure, noting, "Except for Japan, which country in Asia is advising China to do this or that?" The Tibet issue could become a thorn in bilateral ties when President Hu visits Japan.

Meanwhile, given that the North Korean nuclear issue has yet to be resolved, it is highly important for the Asian region that both Japan and China will cultivate friendly ties and work in closer cooperation to build a new regional order, the IIPS said in its proposals. Both Japan and China need to continue dialogues and coordination in an even more strenuous manner.

19) Road talks fail; Ruling camp's decision on revote draws fire from opposition bloc

YOMIURI (Page 4) (Excerpts)
April 24, 2008

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The ruling and opposition blocs held their second meeting in the Diet building yesterday to discuss a review of the system to earmark road-related tax revenues solely for road construction, and exchanged views on Prime Minister Yasuo Fukuda's plan to free up road-related revenues for general spending from fiscal 2009. The meeting, however, failed to enter into specific discussions, because the opposition camp fiercely reacted to the government's and ruling bloc's decision to hold a revote in the House of Representatives on April 30 on tax-related bills to revive the provisional tax rates on gasoline and other items.

In the meeting, People's New Party Deputy Representative Shozaburo Jimi protested fiercely, saying: "Although I won't call it a farce, we won't be able to attend future meetings if (the ruling camp) has decided to bring the matter to a revote." In response, Liberal Democratic Party Policy Research Council Chairman Sadakazu Tanigaki said, "Handling bills and policy talks are two separate matters." This did not help defuse the opposition bloc's backlash.

20) Censure motion against Prime Minister Fukuda likely to be submitted to Upper House on May 12 or later after Lower House takes override vote on road construction special law revision bill

SANKEI (Page 5) (Full)
April 24, 2008

The possibility has become strong that the main opposition Democratic Party of Japan (DPJ) will present (to the House of Councillors) a censure motion against Prime Minister after the House of Representatives takes on May 12 an override vote on a bill amending the Road Construction Revenues Special Exemption Law. If this is the case, it means that the DPJ will forgo its initial plan to submit the censure motion immediately after April 30 when the ruling parties are expected to revote on annual revenue-connected bills aimed at restoring the gasoline tax rate April 30.

DPJ Diet Affairs Committee Chairman Kenji Yamaoka said yesterday: "The timing for a censure motion is not limited to April 30." The reason is because dissatisfaction will grow in the public in May when the gasoline rates are hiked. The largest opposition party also is waiting to see the ruling coalition shaken by its charge that taking an override vote on the bill amending the road construction special law conflicts with Prime Minister Fukuda's policy of shifting tax revenues earmarked for road construction and maintenance to the general account (starting in 2009).

A senior DPJ member said yesterday:

"We will urge the ruling coalition to drop the medium-term road plan by May 12 and integrate the special account from road-related taxes into the general account budget. It is a simplistic idea that the censure motion will be submitted on April 30."

However, there still remains a possibility that the DPJ will present a censure motion soon after the Lower House takes an override vote on April 30 in an attempt to avoid criticism of the party being weak-kneed if its candidate is defeated in the Lower House by-election for the Yamaguchi No. 2 constituency.

21) LDP's Yamasaki faction proposes review of the new medical system for elderly, aim to shake up Prime Minister Fukuda for cabinet

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shuffle

SANKEI (Page 5) (Full)

April 24, 2008

A Liberal Democratic Party (LDP) faction headed by Taku Yamasaki held a press conference yesterday in Tokyo, in which the Yamasaki faction announced a set of proposals, including a review of the newly introduced medical system for the elderly. Yamasaki said: "The proposals will become a draft for the next House of Representative election." But the faction also appears to be aiming to urge Prime Minister Yasuo Fukuda to shuffle his cabinet as early as possible since discontent has built up in the faction over its have been given the cold shoulder in terms of key party and cabinet posts.

The set of policy proposals was compiled by Nobuteru Ishihara, a former party policy chief, and other faction members. Advocating "a nation based on moral principles" as vision of a new constitution, the faction places priority on: 1) diplomacy of justice and harmony; 2) vital economy; 3) secure and safety society; 4) convivial society in rich natural environment; and 5) education for the future.

The policy proposal emphasizes the important of direct dialogue with North Korea in order to resolve the abduction issue, giving top priority to bringing out results. It also stipulates the need for early establishment of a permanent law that would enable the overseas dispatch of the Self-Defense Forces as necessary, as well as the establishment of an East Asian Community. It also calls for a revision of the new medical system for the elderly. The Yamasaki faction has actively criticized the Health, Labor and Welfare Ministry on this policy. Yamasaki then urged the government to shift its policy, saying: "With an eye on the next general election, the new medical system should be corrected as there is dissatisfaction among low-income earners over the increase in their burden."

SCHIEFFER